

- (c) A BOC may not negotiate for the right to choose the interLATA OSP until it has filed and the Commission has approved a comparably efficient interconnection plan pursuant to Section ____.

Section ____ **Selection of IntraLATA Carriers Serving Payphones**

All payphone service providers have the right to negotiate with the location provider on the location provider's selecting and contracting with and, subject to the terms of any agreement with the location provider, to select and contract with, the carriers that carry intraLATA calls from their payphones, including toll and local calls, provided, however, that a state may adopt reasonable regulations to qualify a carrier to handle emergency calls dialed as a "0" without additional digits.

Section ____ **Public Interest Payphones**

- (a) Any states desiring to order a payphone(s) to be placed in a location where there would otherwise not be a payphone may develop its own procedures and criteria for the placement, rates, and funding of each such payphone(s).
- (b) Any such public interest payphone(s) must meet the following criteria:
- (1) a public interest payphone(s) may not be provided for a location provider to whom any PSP pays commissions on any other payphone, whether pursuant to contract or otherwise, no matter where located;

- (2) a public interest payphone may not be located within 200 yards of another payphone that is reasonably accessible from a public way;
- (3) a public interest payphone must be generally accessible by the public during the hours of operation of the facility where it is located and must accept coins; and
- (4) the right to place each public interest payphone must be subject to a competitive process among PSPs.

Section _____. **No Cross Subsidies or Unreasonable Discrimination**

- (a) Any LEC that provides payphone service --
 - (1) shall not subsidize its payphone service directly or indirectly from its telephone exchange service operations or its exchange access operations; and
 - (2) shall not prefer or discriminate in favor of its payphone service.
- (b) Any LEC paying a commission to a LEC payphone operation or affiliate shall make the same commission level available on the same terms and conditions to any aggregation of non-LEC PSPs subscribed to one third the number of non-LEC PSP lines served by the LEC in the area in which the LEC payphones are located.

Note: While the rule is written in terms of aggregations equal to one-third the number of non-LEC PSP lines, if other criteria are specified in the LEC's contract with its payphone operations or affiliate (e.g., volume of traffic) the other criteria may be substituted for the number of lines to the extent it is possible to ascertain with publicly available and/or verifiable information whether the criteria is met. For example, the LEC contract with its payphone operation or affiliate may specify a certain volume of traffic to reach a certain commission level. An aggregation of non-LEC PSPs providing a volume of such minutes equal to one-third the total volume of minutes of the non-LEC PSPs in the relevant area would then be the criteria that must be met by the non-LEC PSP aggregation, but only if the total volume of interLATA minutes can be accurately ascertained from objectively verifiable sources. In the case of minutes of traffic delivered to the LEC, it may be possible to ascertain the information necessary for such verification but if it is not, the one-third of non-LEC PSP lines is provided as a default criteria for the aggregation level necessary to reach the most favorable commission rate available to the LEC payphones from the LEC.

Section _____. **Separate Subsidiaries for Merging BOCs**

- (a) Any Bell Operating Company existing on February 8, 1996 that thereafter effectuates any form of consolidation of its operations or any portion of its LEC operations with the operations or any portion of the LEC operations of any other BOC shall, as of the effective date of such consolidation, conduct its payphone operations through a separate subsidiary meeting the requirements of Section 64.702 and the rulings thereunder.

Section _____. **LEC Separation of Payphone Activities**

- (a) Any LEC providing payphone services shall treat all payphone services and related activities as unregulated, and such operations and activities

shall, subject to subsection (b)-(c), be conducted pursuant to Section 64.901 - Section 64.904 and related provisions of Part 32.

(b) Notwithstanding any other provision of the Commission's rules or rulings, to the extent a LEC makes available to its payphone operations or affiliate on a joint and/or allocated cost basis any of the services set forth below, it shall make those services available to non-LEC PSPs on the same joint and/or allocated cost basis:

(i) installation and maintenance

(ii) billing services

(iii) per call tracking

(iv) collection services

(v) validation.

(c) The LEC shall make joint marketing opportunities available to its payphone operations or affiliate and non-LEC PSPs on an equal basis, and shall account for any expenses in joint marketing efforts in the same manner in all cases.

Section _____. **Comparably Efficient Interconnection Plans**

- (a) Each LEC with revenues greater than \$100,000,000 and each LEC serving a U.S. island territory (including but not limited to Puerto Rico and the Virgin Islands) shall submit a comparably efficient interconnection plan for the unbundling and offering pursuant to tariff of the functionalities of a coin line or any other functionality used to provide support and offered to any payphone operating unit or affiliate of the LEC. Such plan shall at a minimum offer on an unbundled basis at tariffed rates:
 - (1) answer supervision
 - (2) coin call rating service and coin supervision with the customer able to designate the rates to be used in the coin call rating service; and
 - (3) any fraud protection features or functionalities offered on a coin line.
- (b) The comparably efficient interconnection plan shall be structured such that any PSP can buy a basic dial tone line and add various functionalities at a basic service element level and at a level consistent with Section 251(C)(3) to build up to a fully featured coin line.

Section _____. **LEC Tariffing of Services to PSPs**

- (a) All LEC coin line services and any unbundled element or functionality thereof offered by a LEC shall be tariffed at the federal level.

- (b) The rate for such service may be developed pursuant to any reasonable methodology and costing formulation, provided however, that the BOC or GTE must be able to offer and in fact retariff pursuant to state tariff the basic non-LEC dial tone line and any service provided to non-LEC PSPs at a rate developed using the same cost methodology.
- (c) The tariff shall be developed such that there is a basic dial tone line available to which each of the functionalities or features needed to build up to a fully featured coin line can be added on an unbundled basis at a basic service element level and at a level consistent with Section 251(C)(3), provided however, that the rate charged for the fully featured coin line may not exceed the rate that would be charged for the same line if it were purchased on an element by element basis.
- (d) Neither GTE nor a BOC may offer any volume discount or other reduced rates on any coin lines or unbundled elements thereof for a period of five years. Thereafter, such rates may be offered but any such rate offered by GTE or a BOC, respectively, to its payphone service or affiliate shall also be available to any aggregation of non-LEC PSPs subscribed to one-third of the non-LC PSP lines served by GTE or the BOC, respectively, in the area in which the rate is offered.

Section _____. **Miscellaneous Provisions**

- (a) Until such time as all non-LEC PSPs have been assigned NXXs terminating in the 8000 and 9000 series, all such numbers coming available shall be assigned to PSPs. Thereafter, all line number assignments shall be on a non-discriminatory basis, with NXX's terminating in the 8000 and 9000 series equally available to all PSPs.
- (b) LECs shall make all embedded wire between a LEC payphone and what would be the demarcation point if the LEC payphone were a non-LEC PSP payphone freely available to the location provider and/or any PSP. The demarcation point at any premises where a LEC payphone is located or to be installed shall be in the same place as it would be if the payphone were a non-LEC PSP.
- (c) LEC service order processing must be nondiscriminatory as between a LEC PSP and non-LEC PSPs. Customer notification procedures shall be uniform.

AMENDMENT TO SECTION 69.2(m):

Add at the end thereof "and a payphone service provider shall not be an end user."

AMENDMENT TO SECTION 68.2(A)(1):

Insert at the end thereof: "that was in use as of [insert effective date of rules adopted in CC Dkt. No. 96-98]."

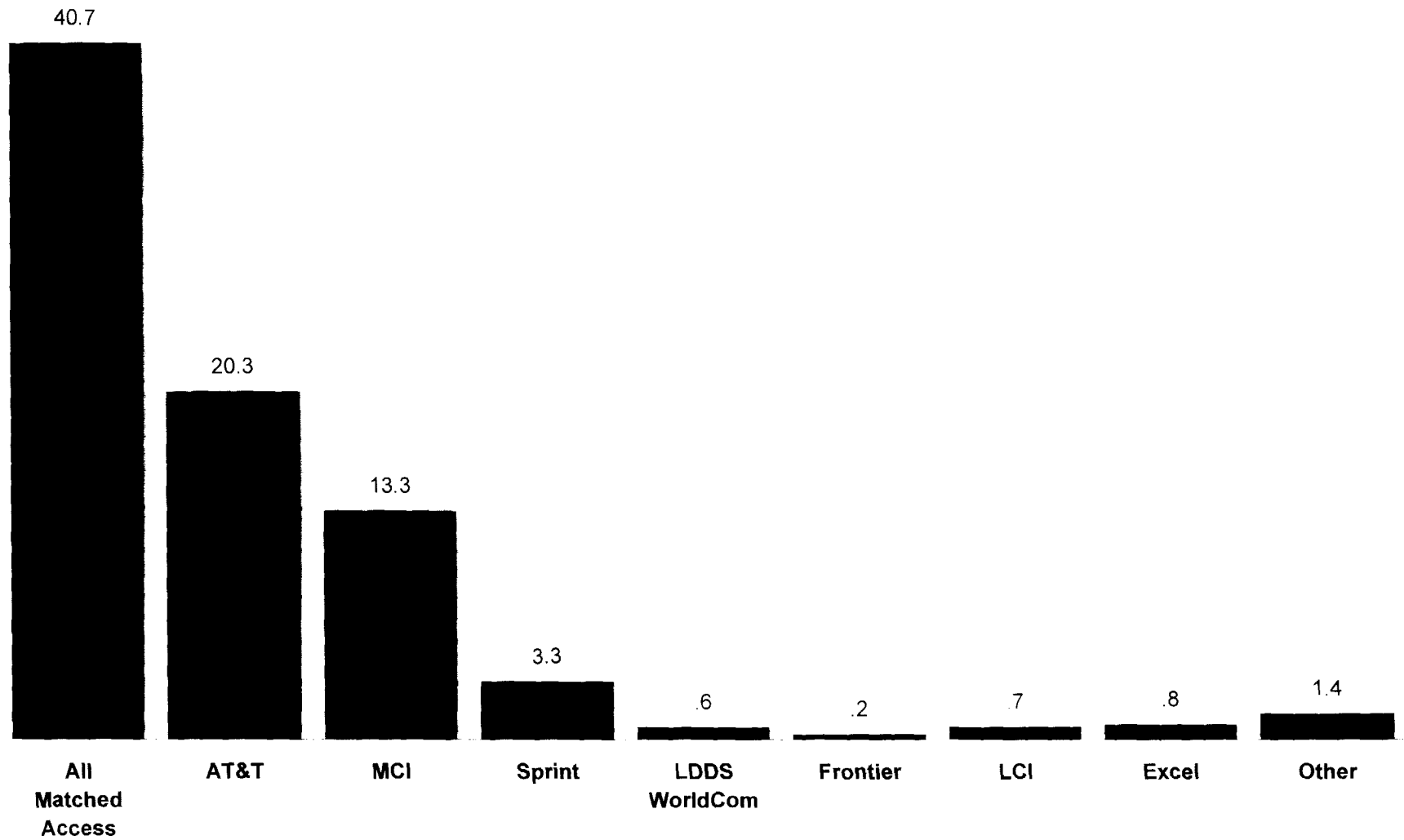
ATTACHMENT 2

ADDITIONAL RESULTS FROM APCC'S SMDR PROJECT STUDY

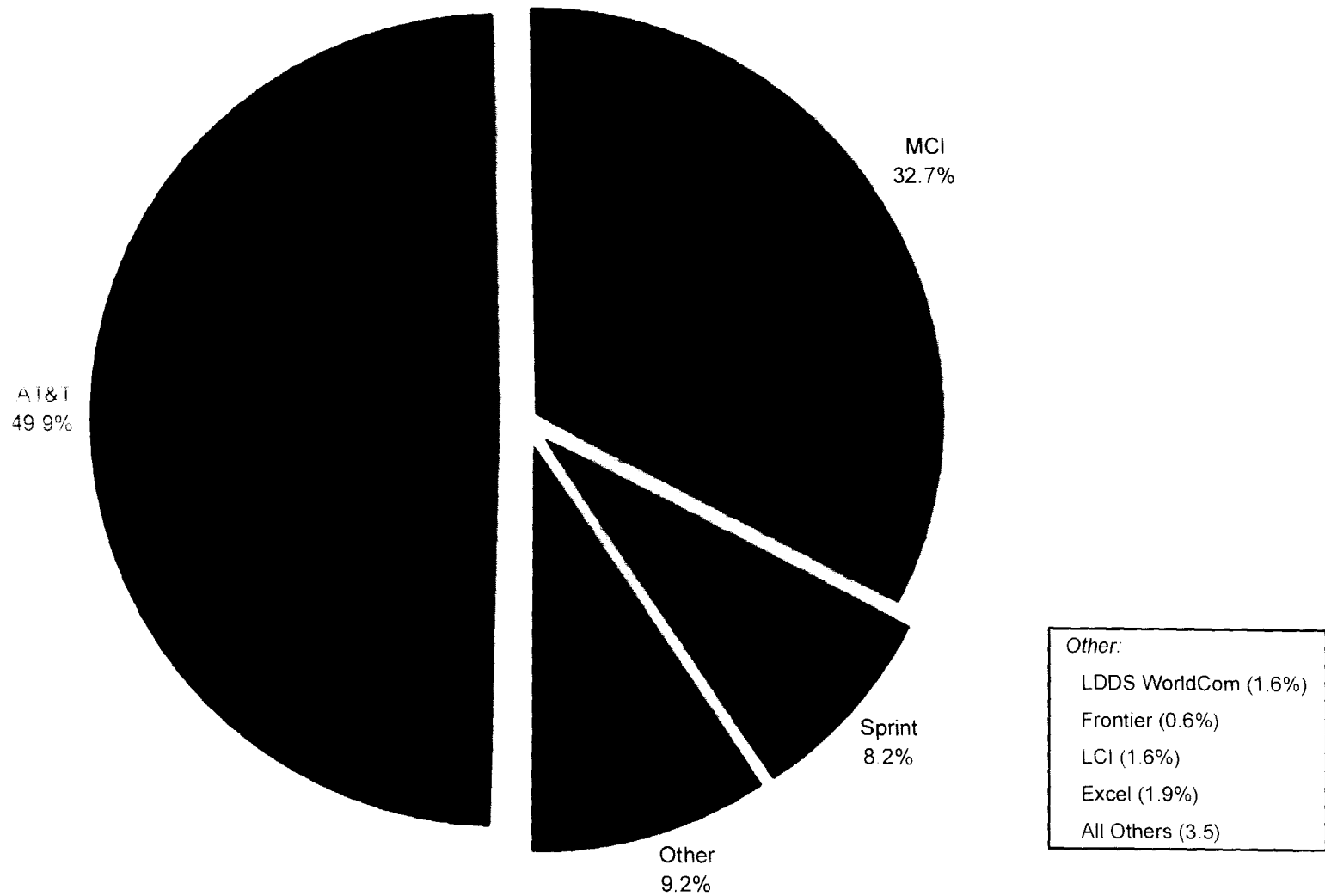
Industry Matched Access Statistics, 7/10/96

Industry Statistics, Matched Access												
Average per ANI												
Year/Month	9601	9602	9603	9604	9605	9606	9607	9608	9609	9610	9611	9612
No. of ANIs			2,347	3,367	4,000							
Matched Access Call Counts												
All Matched Access			40.0	38.0	44.0							
AT&T			19.8	19.1	22.0							
MCI			13.0	12.6	14.3							
Sprint			3.4	3.0	3.6							
LDDS WorldCom			7	5	7							
Frontier/Allnet			2	2	2							
LCI			6	6	7							
Excel			6	7	10							
Total Call Counts of 7 Carriers			38.3	36.8	42.6							
Total Call Counts of All Other Carriers			1.7	1.2	1.4							
Matched Access Percentages												
AT&T			49.5	50.3	49.9							
MCI			32.5	33.1	32.5							
Sprint			8.4	8.0	8.1							
LDDS WorldCom			1.7	1.4	1.7							
Frontier/Allnet			.6	.6	.5							
LCI			1.5	1.7	1.7							
Excel			1.6	1.8	2.4							
Total Percentages of 7 Carriers			95.7	97.0	96.8							
Total Percentages of All Other Carriers			4.3	3.0	3.2							

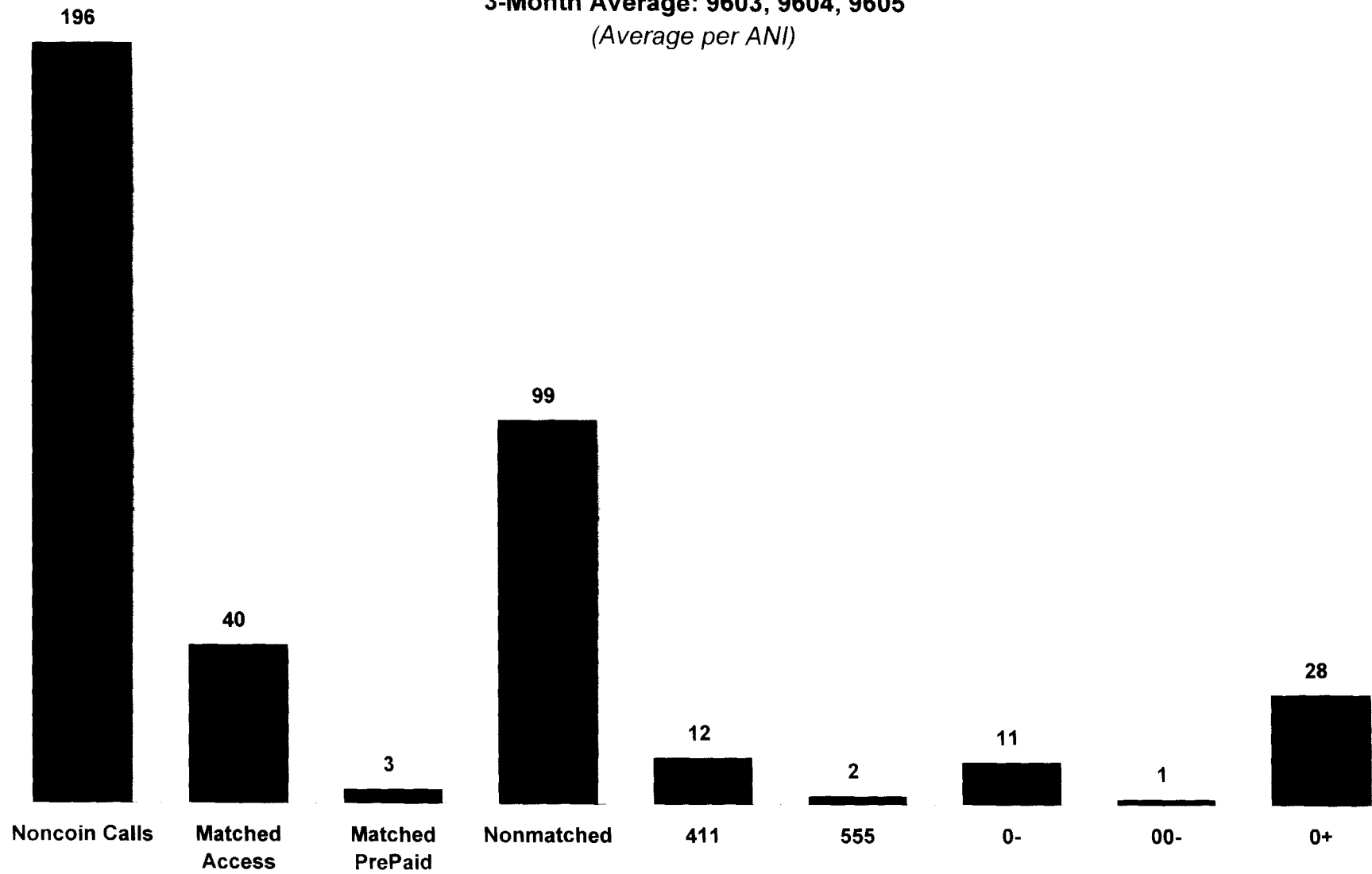
Matched Access Calls
3-Month Average: 9603, 9604, 9605
(Average per ANI)



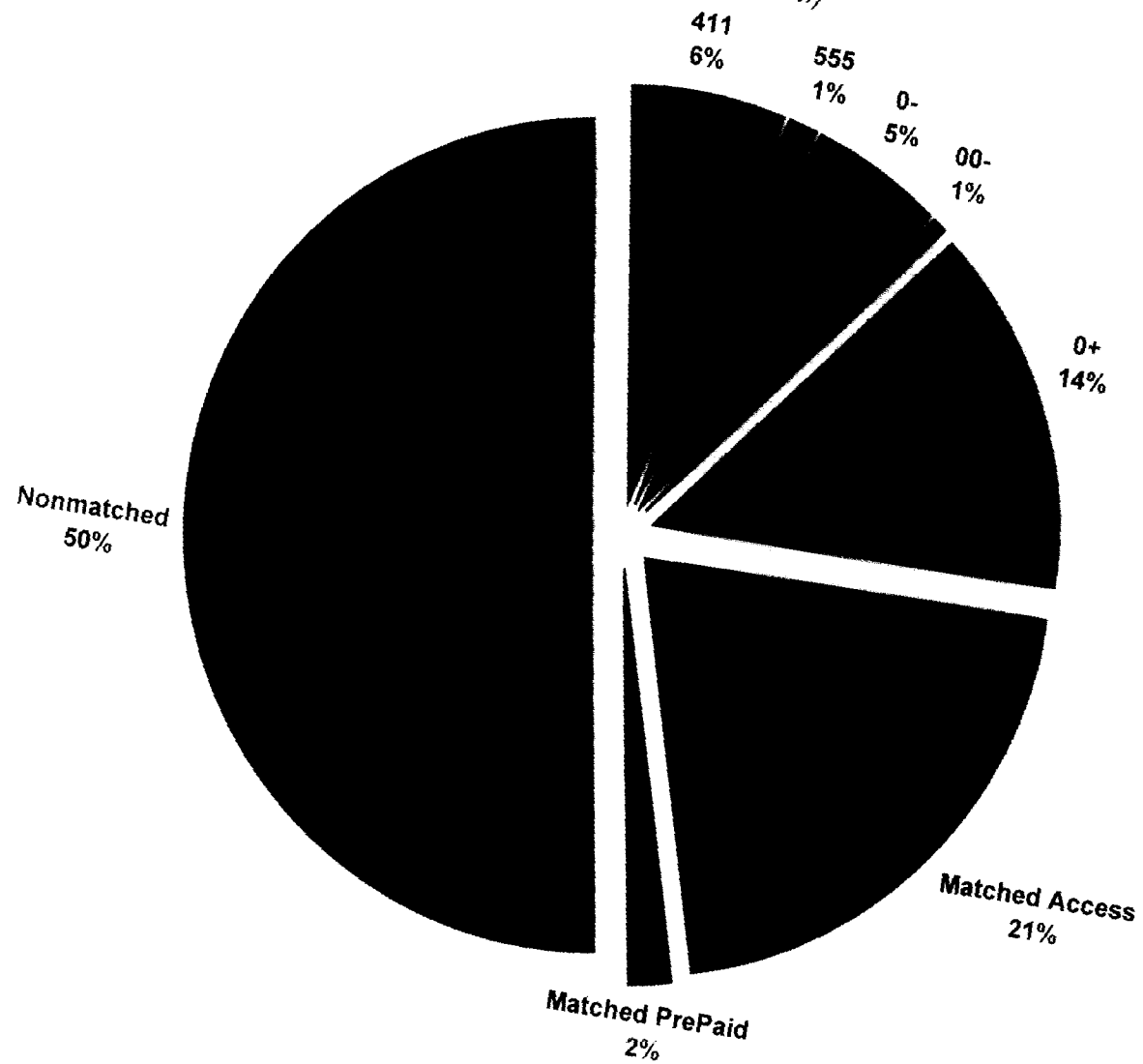
Matched Access Percentages
3-Month Average: 9603, 9604, 9605
(Average per ANI)

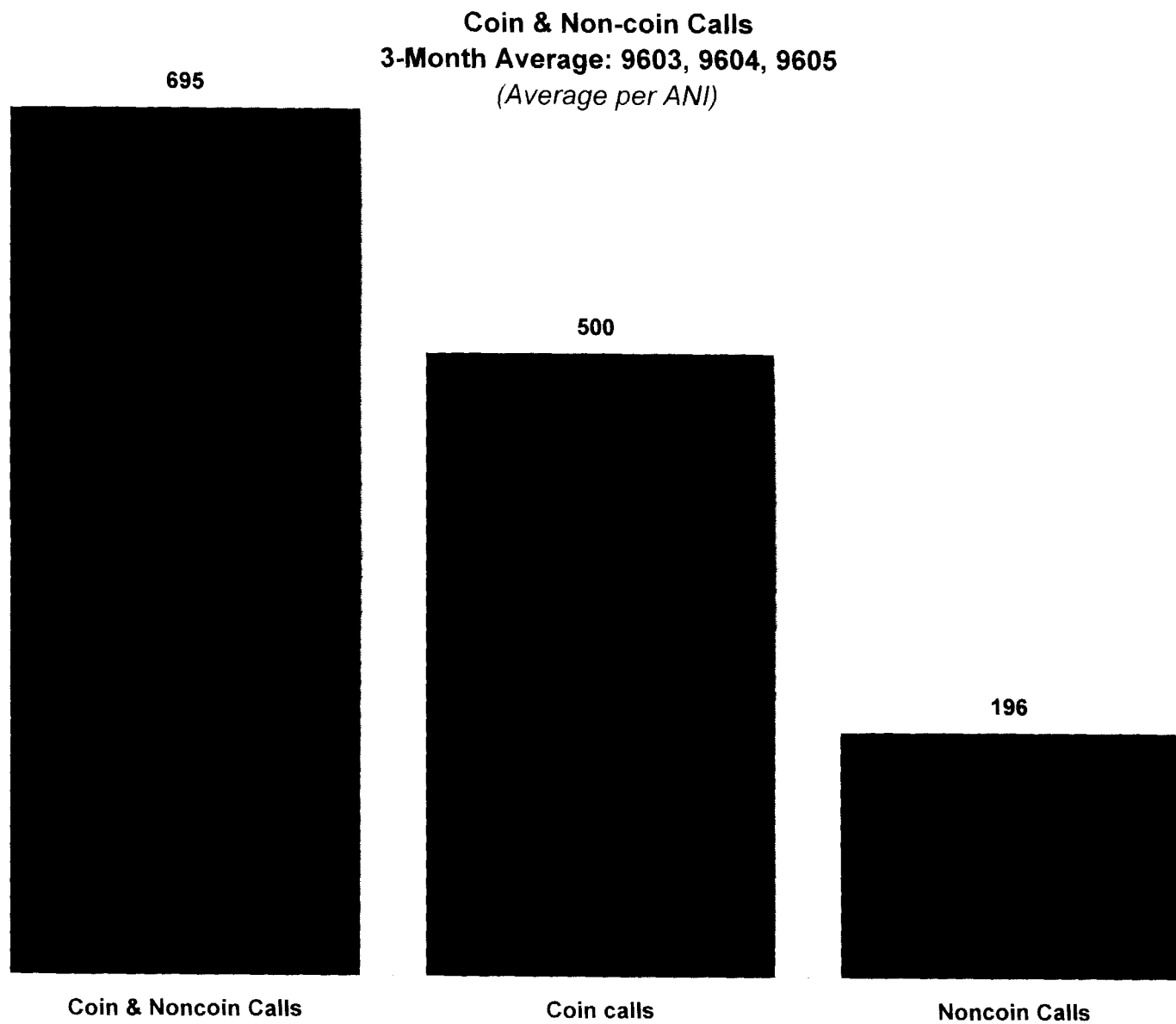


Non-coin Call Details
3-Month Average: 9603, 9604, 9605
(Average per ANI)



Non-coin Percentages
3-Month Average: 9603, 9604, 9605
(Average per ANI)





Coin & Non-coin Percentages
3-Month Average: 9603, 9604, 9605
(Average per ANI)

